

The Corporation Journal

~~The Corporation Trust Company~~

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The Corporation Trust Company System

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Boston, 53 State Street
(Corporation Registration Company)
Chicago, 112 W. Adams Street
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(The Corporation Company)
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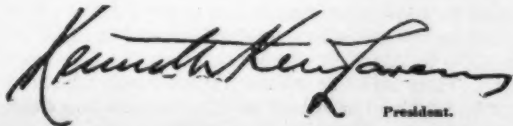
Pages 293-308

Federal Regulation of the Issue of Securities.

A NNOUNCEMENT has been made that the work of the Capital Issues Committee, appointed pursuant to the provisions of the War Finance Corporation, will be suspended on December 31, 1918.

Charles S. Hamlin, Chairman of the Committee says: "In view of the rapid changes that have taken place since the signing of the armistice, the Capital Issues Committee has voted to suspend its activities on December 31st. The Committee will not be dissolved but will remain inactive, unless it is found that the sale of new securities competes unduly with Government financing or for other reasons it may become desirable for the Committee to resume its work, pending its dissolution by the President or by operation of law."

Recommendations by the Committee show that new legislation by Congress creating a more permanent regulation of the issue of securities may be expected within a short time.



President.

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THE POLICY OF THE CORPORATION TRUST COMPANY IN THE ORGANIZATION, QUALIFICATION, STATUTORY REPRESENTATION AND MAINTENANCE OF CORPORATIONS, IS, TO DEAL EXCLUSIVELY WITH MEMBERS OF THE BAR.

The object of The Corporation Journal is to furnish corporation attorneys, and others interested, with a brief account of current happenings, recent court decisions, new laws, etc. Lengthy discussion is avoided, the purpose being to make the publication a memorandum for the busy attorney upon which he may rely for accuracy and to which he may conveniently refer. Cross references are made to preceding pages and a cumulative index is issued from time to time. The Corporation Journal is mailed each month without charge, to those who request to be placed upon the mailing list.

THE CORPORATION JOURNAL should be kept in a binder for convenient reference. We furnish a substantial loose-leaf binder for \$1.50.

DOMESTIC CORPORATIONS.

IN GENERAL.

A NUMBER OF ASSOCIATIONS FOR EXPORT TRADE are being organized pursuant to the provisions of the so-called Webb Act. Generally, Delaware is selected as the incorporating state. The services of our Washington Office are available for the purpose of filing the necessary documents with the Federal Trade Commission. Copies of the Webb Act and of the certificate of incorporation of an approved export association, may be had upon request at our New York office.

IDAHO.

FEATURES OF THE IDAHO CORPORATION LAWS. Cumulative voting is provided by the statute. No corporation shall issue stocks or bonds, except for labor done, services performed, or money or property actually received equal to the full value of the amount of the stock issued. The judgment of the directors as to the value of such labor or services is conclusive in the absence of fraud. The corporation must have a principal place of business in the State. Corporate existence is limited to a period of fifty years; this period may be extended, however, before it expires for a period not to exceed fifty years. A certified copy of the articles of incorporation must be filed in the office of the county recorder in each county in which the corporation seeks to hold real property. Directors must be elected annually though a sliding scale may be provided in the articles of incorporation. A "Book of By-Laws," certified to by the majority of the board of directors and the secretary of the corporation, shall be kept at the principal office of the corporation in the State; no new by-law becomes effective until it is copied in this book, likewise no by-law can be effectively repealed until this fact is recorded in the "Book of By-Laws." There cannot be less than three nor more than fifteen directors; directors must be stockholders; at least one director must be a citizen and a bona fide resident of the State. There may be an executive committee of the board of directors if it is so provided by resolution of the board, otherwise a majority must be

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present to constitute a quorum to bind the corporation. A majority must be present at stockholders' meetings to constitute a quorum. Any meeting may be held on waiver, therefore, by unanimous consent, any statutory notice may be dispensed with. Stockholders' meetings must be held in the State at its principal place of business. Directors' meetings may be held within or without the State if it is so provided in the articles of incorporation or in the by-laws, or by resolution of the board. Stockholders' individual liability is restricted to the unpaid balance up to par; however, there may be an additional liability through assessments levied by the board of directors as distinguished from any liability imposed at the option of creditors. This is provided by Title 4, Chapter 1, Article 6, Civil Code, (see 16 Ida. 313, 101 Pac. 733.) Under the provisions of the statute, the directors may levy an assessment, provided that one-quarter of the capital stock has been subscribed and provided that the assessment is for the purpose of paying expenses, conducting business, or paying debts. An "assessment," as distinguished from a "call," is a levy upon the stockholders after the balance due on their stock has been fully paid. The provisions of the statute must be strictly complied with in levying an assessment. The corporation has inherent power to purchase the stock of other corporations. It may also create two or more kinds of stock with such preferences and restrictions as shall be stated in the articles of incorporation or in any certificate of amendment thereof, or as shall be fixed in the by-laws. No preferred stock shall be issued except for cash or its equivalent nor for less than the par value of its shares; the preferred stock issued cannot exceed two-thirds of the capital stock paid in cash or property; the preferred stock dividends cannot exceed 8% but may be made cumulative. The corporation must commence business within one year or its corporate powers cease. The corporation can only acquire and hold such real property as is reasonably necessary for the transaction of its business or the construction of its works. The corporation must keep a "Stock and Transfer Book," containing a complete record of the stockholders and transfers. The statute is silent as to where this book must be kept. The records of the business transactions of the corporation and its minute book are open to inspection of every stockholder and creditor. An annual report must be made to the Secretary of State and to the county recorder.

COST OF ORGANIZATION IS AS FOLLOWS:

Fees to County Recorder:

Filing articles of incorporation.....	\$.50
Recording (20c. per folio), about.....	3.00

Fees to Secretary of State:

Filing articles of incorporation.....
On capital not over \$25,000.....	\$ 10.00
Over \$25,000 to 50,000.....	20.00
Over 50,000 to 100,000.....	40.00
Over 100,000 to 500,000.....	60.00
Over 500,000 to 1,000,000.....	100.00
Over 1,000,000.....	150.00

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Recording articles of incorporation: (20c. per folio) about.....	\$3.00
Certified copy of articles of incorporation, if desired (20c. per folio and \$1 for seal).....	4.00
Issuing certificate of incorporation.....	3.00

TAXATION. License tax is payable on the first day of July of each year to the Secretary of State. This tax is based on the authorized capital and is as follows:

\$5,000 or less.....	\$ 10.00
5,001 to \$10,000, inclusive.....	12.50
10,001 to 25,000, inclusive.....	15.00
25,000 to 50,000, inclusive.....	22.50
50,001 to 100,000, inclusive.....	37.50
100,001 to 250,000, inclusive.....	52.50
250,001 to 500,000, inclusive.....	75.00
500,001 to 1,000,000, inclusive.....	90.00
1,000,001 to 2,000,000, inclusive.....	130.00
2,000,001 or more.....	150.00

PROCEDURE FOR INCORPORATION. No charter shall be granted to a private business corporation by special act. Three or more persons may form a corporation provided that one at least is a bona fide resident of the State. The articles of incorporation must be prepared, setting forth: the name of the corporation; the purpose for which it is formed; the place where its principal business is to be transacted; the term for which it is to exist, not to exceed fifty years; the number of its directors, not less than three nor more than fifteen; the amount of its capital stock and the number of shares into which it is divided; the amount actually subscribed and by whom. At the option of the incorporators the articles of incorporation may also provide for a sliding scale of directors. The articles of incorporation must be subscribed by the incorporators and acknowledged before some officer authorized to take and certify acknowledgments of real property. The articles of incorporation are then filed in the office of the county recorder of the county in which the principal business of the company is to be transacted. A copy, certified by the county recorder, is then filed with the Secretary of State. The Secretary of State or such county recorder must then issue to the corporation a certificate that the articles of incorporation have been filed in his office. Thereupon the corporation becomes a body politic. The corporation must adopt by-laws within one month after its articles of incorporation are filed. The by-laws may be adopted by the written consent of two-thirds of the stockholders. If adopted by only a majority vote it must be at a meeting called for that purpose following two weeks' publication in the county in which the principal place of business is located or in the State capital. The directors may be elected at the first meeting of stockholders held after the organization of the corporation or at a subsequent meeting called for such purpose.

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WHAT THE CORPORATION TRUST COMPANY DOES to assist attorneys in the incorporation and subsequent statutory maintenance of an Idaho corporation is briefly as follows:

At the time of incorporation it ascertains, upon request, if the name can be used, and furnishes the attorney with a complete set of forms for reference, copies of articles of incorporation, which have been approved, files and records the necessary papers and assists the attorney in every possible way in the organization.

It will draft and submit the articles of incorporation, by-laws and minutes of meetings and upon approval by the attorney will furnish complete facilities for incorporation, attend to the filing of the papers, the holding of the necessary meetings and return the records completed in minute book form.

Attorneys wishing to keep complete control and supervision over the organization of Idaho corporations have found it extremely convenient and expedient to confer with the nearest office of The Corporation Trust Company System and to employ the services of its representatives in Idaho.

Subsequent to incorporation The Corporation Trust Company furnishes a statutory office, furnishes rooms for holding stockholders' and directors' meetings or holds stockholders' meetings by proxy, gives timely notice for filing state reports and tax returns, and keeps counsel informed of changes in statutes affecting the corporate status.

For foreign corporations entering Idaho, The Corporation Trust Company drafts all documents necessary to secure authority to do business in the State and submits them to the attorney. Upon approval, it attends to their filing with the proper state officials. After qualification, it supplies the statutory agent, notifies the attorney of all State reports and taxes to be paid, and forwards blanks for reports and tax assessments. A statement containing the statutory requirements for admission of foreign corporations to do business in Idaho will be sent upon request and without charge.

An estimate of charges can be secured at our nearest office.

MAINE.

RIGHT OF STOCKHOLDER TO INSPECT BOOKS AND TO MAKE LIST OF STOCKHOLDERS THEREFROM. It has been previously held that the statutes of Maine give a stockholder an absolute and unlimited right to inspect the corporate records and the list of stockholders whatever may be his motive or purpose in seeking to exercise it and that it is not necessary to state in his application or prove the reasons for his application to inspect such records. It has further been held a list of stockholders concerns a stockholder's interest, and that he has a right to take a copy of the list, irrespective of his motive or purpose. "The court, however, has been careful to say that the character of the remedy sought by application for a writ of mandamus, and the discretion to be exercised by the court in issuing it, seems not to have been taken away or abridged by the statute, and that a state of facts might be presented where the purpose of the petitioner was so obviously vexatious, improper, or unlawful that the court might feel compelled to exercise

its discretion and decline to issue the writ." In the instant case it is held that the purchase of stock by a member of a stock selling firm for the express purpose of securing a list of stockholders so as to facilitate the purchase of stock, is not objectionable and that such a person is entitled to inspect the books and take the list. "The corporation has within its power to very effectually guard the stockholders against any deception, if such should be attempted, by distributing to its stockholders printed statements of its financial condition in such form as to afford full information." *Knox v. Coburn*, 104 Atl. 789.

NEW JERSEY.

LIABILITY AFTER FORFEITURE OF CHARTER ON CONTRACTS MADE WITH DIRECTORS. It was alleged that the Crosthwaite & Cannon Company, incorporated under the New Jersey laws to conduct the business of insurance brokers, neglected for two successive years to pay a tax against it and thereafter the Governor filed a proclamation that its charter was void; that thereafter certain individuals carried on the business and consented to be made directors. It was claimed that this rendered the directors individually liable for damages for failure to take out certain insurance. The United States District Court for the Southern District of New York, however, holds that no cause of action is stated against the individuals. The court says: "Forfeiture of corporate franchises for failure to pay taxes has ordinarily been treated as a matter merely affecting public interests and not as terminating the corporate existence for all purposes. Indeed, it is alleged that all times the corporation was licensed by the Department of Banking and Insurance of New Jersey to do business. Judge Hugh held that a New Jersey corporation against which the Governor's proclamation had issued under the very act in question could be proceeded against in bankruptcy. (In *re Munger Tire Co.*, 159 Fed. 901). * * * The statement so often made that those dealing with a de facto corporation are estopped to deny its existence is inaccurate, for no case of genuine estoppel exists; but it is established by an overwhelming weight of authority that when persons attempting to exercise corporate authority have taken bona fide steps to organize, those contracting with them must rely upon the corporate responsibility and not upon that of individuals with whom they never intended to contract. The validity of the exercise of corporate functions is a matter for the state and cannot be questioned by others. It may also be urged with considerable force that persons who deal with a New Jersey corporation, the franchise of which has been terminated by the state for failure to pay taxes contract with risk that the corporation may under the law be reinstated. In other words they contract under the agreement implied by law that a corporate liability may be substituted by reinstatement of the corporate franchises for the personal liability of the directors. If this is so there would upon the reinstatement pleaded be a complete novation, which would be a bar and defense to individual liability." Held *v. Crosthwaite*, U. S. Dist. Ct. for S. D. of N. Y., N. Y. Law Journal, Nov. 27, 1918.

NEW YORK.

RESTRAINT OF STOCKHOLDERS' MEETING INCIDENT TO APPOINTMENT OF RECEIVER. The appointment of a receiver supersedes the power of directors to carry on the business of the corporation. "The court's power to take from the directors their right to direct can also, while in control, restrain action by the stockholders, when it deems it for the best interests of all concerned to do so." The United States Circuit Court of Appeals for the Second Circuit sustains an order of the District Court staying any action at a stockholders' meeting, except adjournment. In his concurring opinion, Judge Rogers pays this compliment to the receivers of the Aetna Explosives Co.: "It is doubtful whether, in the whole history of receiverships, either in the Southern district of New York or in any other district in the United States, there can be found another receivership which has been conducted with such phenomenal success as has attended the receivership over the defendant corporation." *Graselli Chemical Co. v. Aetna Explosives Co.*, 252 Fed. 456.

NORTH CAROLINA.

ABANDONMENT OF ENTERPRISE AS GROUND FOR RELEASE TO SUBSCRIBE FOR SHARES. The purpose of a corporation to build an apartment house was abandoned. This, however, did not release subscribers to stock from the obligation to pay in full for their subscriptions. "A few stockholders may have paid all their subscriptions, while others may have paid none, and thereby defeated the undertaking. It would be manifestly unjust to hold those subscriptions that have been paid and to turn loose those that remain unpaid. Inasmuch as stock subscriptions are assets, they must be collected, as other assets, and when the debts are all paid and the corporate affairs settled the balance on hand should be divided among stockholders, according to their respective rights." *Raleigh Improvement Co. v. Andrews*, 96 S. E. 1032.

PENNSYLVANIA.

APPORTIONMENT OF DIVIDENDS BETWEEN CUMULATIVE PREFERRED AND COMMON STOCK. The Supreme Court of Pennsylvania makes an important application of the rule that in the absence of an express limitation upon the preferred stock, the holders thereof are entitled to share with the holders of the common stock all profits distributed after the latter have received in any year an amount equal to the dividend on the preferred stock. The certificates of preferred stock of the Hoffman, DeWitt & McDonough Company provide that: "The holders of the preferred stock shall be entitled to receive when and as declared and the company shall be bound to pay a fixed yearly cumulative dividend of six per cent. (6%) payable quarterly before any dividend shall be set apart on the common stock." No dividends were paid on either the company's preferred or common stock until 1917, a period of nine years, when a dividend of 54 per cent. covering

the current year and all arrearages, was declared and paid on the preferred stock and at the same time a dividend of equal amount was declared on its common stock. Proceedings to restrain the payment of this dividend on the common stock on the ground that the holders of common stock are not entitled to a dividend of more than 6 per cent without sharing the excess equally with the preferred stockholders, are sustained. The State Supreme Court says: "The priority of the preferred stockholders rests upon the contract and beyond the provisions of such contract they occupy no position toward the company different from that of the holders of common stock. When a dividend is declared the former are entitled to first claim to the extent of their preference for the current year, and if there remains a sum more than sufficient to pay a similar dividend on the common stock, both classes of stockholders are entitled to share equally in the excess. In absence of agreement, express or implied, that dividends shall be cumulative, unpaid dividends in the past cannot be claimed. (10 Cyc. 573.) Likewise there is no logical reason for holding that common stockholders are entitled to go back of the current year, and claim to be reimbursed for unearned dividends in past years. To do so would render such dividends cumulative in effect without agreement. Accordingly, when during previous years no dividends were earned, this was conclusive as to the right of all stockholders, both preferred and common, except for the contractual right of the former to payment out of future profits to the extent of their preference before the latter would be entitled to participate in the earnings. So far as the holders of the common stock were concerned their status was finally determined when, during any current year, there were no profits to be divided. The profits so lost are lost for ever, and each new year marks the beginning of a new dividend paying period." *Englander v. Osborne*, 104 Atl. 614.

FOREIGN CORPORATIONS.

ARKANSAS.

DOING BUSINESS. A salesman of the New Orleans agency of the International Typesetting Machine Company, a New York corporation with main office in New York City called on one, Dan Hogan by name, in Huntington, Arkansas, and procured a written contract from him for a typesetting machine. This contract was forwarded to the New Orleans agency, and the manager thereof considered it a contract which should be ratified by the company, and for that purpose sent it to the main office in New York recommending its acceptance. In the meantime the manager of the New Orleans agency consigned the machine to the International Typesetting Machine Company, Huntington, Ark., "notify Dan Hogan." The contract was approved by the main office. Hogan paid the freight and had the machine hauled to his place of business. An agent of the company subsequently came to Huntington, unboxed the machine, put it up and demonstrated it to the satisfaction of the purchaser. Hogan thereupon executed notes and a mortgage on the machine to secure their payment. The notes were not paid and suit was brought thereon by the Intertype Corporation, which had become the owner of the note

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through purchase of all the assets of the International Typesetting Machine Company. The trial court held that the transaction constituted interstate commerce, and rendered a judgment for \$2,137.90 and declared this amount as a lien on the typesetting machine. But this judgment is reversed by the Supreme Court of Arkansas, and it is held that the company by its failure to qualify as a foreign corporation loses its right to recover the amount just mentioned. The Supreme Court says: "An interstate transaction contemplates a consignor without and a consignee within a state or vice versa. In the instant case the property was not only retained by the seller after it reached Arkansas, but an agent of the seller was sent to the state for the purpose of demonstrating that the machine would do the work represented, in order to consummate the sale; and, after making a satisfactory demonstration the agent accepted in part payment therefor long-time notes executed and payable at Huntington, Ark., and a mortgage on the machine to secure the notes, which was recorded in Greenwood, Ark. This constituted a business transaction in Arkansas by a foreign corporation contrary to the statute law." *Hogan v. Intertype Corporation*, 206 S. W. 58.

PENALTY APPLIES TO ASSIGNEE OF CONTRACT AS WELL AS TO UNQUALIFIED CORPORATION ITSELF. Under section 2, No. 313, Acts 1907, a contract made by a foreign corporation without complying with the foreign corporations laws cannot be enforced by it either in law or in equity. The defect is inherent in a contract, including notes and mortgages, so that they are unenforceable in the hands of an assignee the same as in the hands of the original holder. "It was necessarily the intention of the Legislature to render any paper growing out of a transaction of this character defective so that it could not fall into the hands of an innocent purchaser and be enforced in this state." *Hogan v. Intertype Corporation*, 206 S. W. 58.

TEXAS.

SALE OF ITS OWN STOCK in the state by a foreign corporation does not constitute "doing business" and hence is not a violation of Vernon Sayles' Ann. Civ. St. 1914, art. 1314. *Denman v. Kaplan*, 205 S. W. 739.

TAXATION.

PENNSYLVANIA.

MAKING SAND FROM ROCK IS NOT "MANUFACTURING," so as to render a company exempt from payment of tax on its capital stock. "No art or skill is applied to produce a new and different article from the quarry." *Commonwealth v. Welsh Mountain Mining & Kaolin Mfg. Co.*, 6 P. C. R. 396, *Commonwealth v. Ellwood Sand Co.*, 6 P. C. R. 399.

INCOME TAX.

For preceding references see 3 Corporation Journal page 286.

A United States District Court renders an opinion regarding deductions of amounts paid out for ship repairs in addition to reasonable allowance for depreciation of property. (p. 671.)

A letter by a Deputy Commissioner relates to determination of cash value to the shareholder of a dividend paid in Liberty bonds. (p. 672.)

According to a letter from the Commissioner, each bank handling a foreign item before it reaches the source of information is required to be licensed. (p. 673.)

A letter from a Deputy Commissioner relates to discount for cash in relation to income and capital account. (p. 673.)

A decision by the United States Supreme Court holds that profits acquired by a subsidiary prior to January 1, 1913, is not taxable to the parent corporation on distribution to it after that date. (p. 673.)

A treasury decision contains instructions relative to acceptance of certificates of indebtedness for income taxes. (p. 674.)

(NOTE.—The page references are to our Income Tax Service, 1918, wherein the foregoing rules and regulations are printed in full.)

FEDERAL ESTATE TAX.

No rulings or regulations have been issued since our last report. See 3 Corporation Journal, page 287.

EXCESS PROFITS TAX.

For preceding references, see 3 Corporation Journal, page 287.

A treasury decision contains instructions relative to acceptance of certificates of indebtedness for profits taxes. (p. 335.)

(NOTE.—The page references are to our War Tax Service, 1918, wherein the foregoing are printed in full.)

CAPITAL STOCK TAX.

No rulings or regulations have been issued since our last report. See 3 Corporation Journal, page 260.

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STAMP TAXES.

No rulings or regulations have been issued since our last report. See 3 Corporation Journal, page 260.

WAR EXCISE TAXES.

No rulings or regulations have been issued since our last report. See 3 Corporation Journal, page 261.

UTILITIES AND INSURANCE.

No rulings or regulations have been issued since our last report. See 3 Corporation Journal, page 261.

FEDERAL RESERVE.

For preceding references see 3 Corporation Journal, page 288.

Informal rulings of the Board relate to fiduciary powers of national banks (p. 702), to war tax on currency shipments (p. 703), to election of Class A and Class B directors (p. 703), to maintenance by nonmember banks of clearing accounts with Federal Reserve banks (p. 703), to eligibility of Federal Land Bank bonds (p. 704), and to use of gold coin for Christmas presents.

The Law Department has rendered an opinion on stamp tax on drafts in connection with shipments of goods to seaboard. (p. 705.)

(NOTE.—The page references are to our Federal Reserve Act Service which reports all rulings and regulations of the Federal Reserve Board.)

FEDERAL TRADE COMMISSION.

Complaints have been added to the Docket since our last report. (Supplementary pages 77 to 80.)

(NOTE.—The page references are to our Federal Trade Commission Service.)

PUBLICATIONS.

The following publications may be obtained without charge from the nearest office of The Corporation Trust Company System:

BULLETINS ON THE REVENUE BILL NOW BEFORE CONGRESS.

Bulletin No. 1—Series of 1918, gives a brief history of the bill, an analysis of its

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provisions as introduced in the House of Representatives, and a comparison of proposed rates with those in the existing law. Bulletin No. 2 summarizes the bill as passed by the House. Bulletin No. 3 shows changes suggested by the Finance Committee of the Senate as reflected in the Bill as reported to the Senate by the Finance Committee on December 6. Bulletin No. 4 shows the changes prior to the passage of the Bill by the Senate on December 23. Bulletin No. 5 will briefly summarize the Bill in its final form. The series will be sent, without charge, to our clients and others interested.

RULES AND REGULATIONS OF THE CAPITAL ISSUES COMMITTEE appointed under the War Finance Corporation Act have been published by us in a pamphlet which in addition contains the text of the Act and a complete index.

WAR REVENUE ACT OF 1917 contains complete text of War Income, War Excess Profits Tax, Excise, Stamp Taxes, etc., in effect October 4, 1917.

INCOME TAX PRIMER, prepared by the Bureau of Internal Revenue and reproduced as a supplement to the Income Tax Service, 1918, of The Corporation Trust Company.

EXCESS PROFITS TAX PRIMER, prepared by the Bureau of Internal Revenue, and reproduced as a supplement to the War Tax Service, 1918, of The Corporation Trust Company.

NEW-YORK STATE INCOME TAX, a pamphlet containing the text of the law, including the important amendments of 1918, which imposes a tax of 3% on the net income of manufacturing and mercantile corporations.

FEDERAL TRADE COMMISSION ACT AND THE CLAYTON ACT are reprinted from The Corporation Trust Company's Federal Trade Commission Service.

BUSINESS CORPORATIONS UNDER THE LAWS OF DELAWARE is the title of a pamphlet containing the advantages of the law, statutory requirements and forms, including a description of shares without par value. The General Corporation Laws are published in a separate booklet.

THE LAWS OF MARYLAND relating to Business Corporations are available in pamphlet form.

THE GENERAL CORPORATION ACT OF NEW JERSEY, as published by the Department of State, may be secured at any of our offices.

BUSINESS CORPORATIONS UNDER THE LAWS OF MAINE is the title of a pamphlet which contains a description of advantages of incorporation under

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Maine laws, features of shares without par value, statutory requirements and forms. The text of the statutes relating to business corporations is also available in a separate pamphlet.

NEW YORK NON-PAR VALUE LAW. a reprint of Corporation Journal No. 35, contains a copy of the New York non-par value law and a copy of the certificate of incorporation of the Wisconsin Edison Company, the first large company incorporated thereunder.

EXTRACTS FROM THE STATUTES OF THE VARIOUS STATES RELATING TO THE ADMISSION OF FOREIGN BUSINESS CORPORATIONS may be had by counsel who are interested in the qualification of a particular corporation in a State or group of States. These printed statements show the documents to be filed, fees and taxes to be paid and the statutory penalties for failure to comply in the States under consideration.

SOME IMPORTANT MATTERS FOR JANUARY AND FEBRUARY.

This calendar does not purport to cover general taxes or reports to other than State officials or those we have been officially advised are not required to be filed. The State Report and Tax Service maintained by The Corporation Trust Company System sends timely notice to attorneys for subscribing corporations of reports and tax matters requiring attention from time to time, furnishing information regarding forms, practice and rulings.

ALASKA	Annual Applications for Licenses on certain occupations due or before January 15—Domestic and Foreign Corporations and persons. Annual Report due on or before March 1. Foreign Corporations.
ARIZONA	Annual Statement of Mining Companies due between January 1 and April 1—Domestic and Foreign Corporations engaged in mining of any kind.
CALIFORNIA	Annual License Tax due between January 1 and 1st Monday of February—Domestic and Foreign Corporations. Capital Stock Affidavit due between January 1st and 1st Monday of February—Foreign Corporations.
COLORADO	Annual Report due within 60 days after January 1—Domestic and Foreign Corporations.
CONNECTICUT	Annual Report due on or before February 15—Domestic and Foreign Corporations.
ILLINOIS	Annual Report due between February 1 and March 1—Domestic and Foreign Corporations.
INDIANA	Annual Report due during January—Domestic Corporations.

**SOME IMPORTANT MATTERS FOR JANUARY
AND FEBRUARY—Continued.**

KANSAS	Annual Report and Franchise Tax due between January 1 and March 31—Domestic and Foreign Corporations.
KENTUCKY	Annual Report due on or before February 1st—Domestic and Foreign Corporations.
MAINE	Annual License Fee due on or before March 1—Foreign Corporations.
MARYLAND	Annual Report due between January 1 and March 1—Domestic Corporations.
MASSACHUSETTS	Annual Report of information for income tax due between January 1 and March 1—Domestic and Foreign Corporations.
MICHIGAN	Annual Report due in January or February—Domestic and Foreign Corporations.
MISSOURI	Annual Return of Net Income due between January 1 and March 1—Domestic and Foreign Corporations. Annual Capital Stock Report due on or before February 1—Domestic and Foreign Corporations.
MONTANA	Annual Report due between January 1 and March 1—Foreign Corporations. Annual Return of Net Income due between January 1 and March 1—Domestic and Foreign Corporations.
NEW YORK	Annual Franchise Tax payable on or before January 15th—Domestic and Foreign Corporations, excluding mercantile and manufacturing companies. Annual Report due during January—Domestic and Foreign Corporations.
PENNSYLVANIA	Capital Stock Report and Corporate Loan Report due between January 1 and February 28th—Domestic and Foreign Corporations. Bonus Report due between January 1st and February 28—Foreign Corporations.
RHODE ISLAND	Corporation Tax Return due on or before March 1—Domestic and Foreign Corporations.

SOME IMPORTANT MATTERS FOR JANUARY
AND FEBRUARY—Continued.

- SOUTH CAROLINA** Annual Report due during January—Foreign Corporations.
Annual License Tax Report due during month of February—Domestic and Foreign Corporations.
- SOUTH DAKOTA** Annual Capital Stock Report due during January—Foreign Corporations.
- TEXAS** Annual Capital Stock Report due during January—Foreign Corporations.
- UNITED STATES** Annual Return of Net Income due on or before March 1—Domestic and Foreign Corporations, according to present law. The pending Revenue Bill changes this date to March 15.
- VERMONT** Annual Tax Return due on or before March 1—Domestic and Foreign Corporations.
Annual License Tax payable on or before March 1—Domestic and Foreign Corporations.
Extension of Certificate of Authority due between January 1 and March 31—Foreign Corporations.
Annual Report due on or before March 1—Domestic Corporations.
- VIRGINIA** Annual Registration Fee due on or before March 1—Domestic and Foreign Corporations.
Annual Franchise Tax due on or before March 1—Domestic corporations.
- WEST VIRGINIA** Excise Tax Return due on or before March 1—Domestic and Foreign Corporations.
- WISCONSIN** Annual Report due between January 1 and March 1—Domestic Corporations.
Annual Report due between January 1 and March 1—Foreign Corporations.
Income Tax Return due between January 1 and date fixed annually by State Tax Commissioner—Domestic and Foreign Corporations.
State Income Tax due during January—Domestic and Foreign Corporations.

When May a Corporation with Safety Allow Stock Held in Trust to be Transferred to the Trustee Individually?

Only when the sale or transfer is approved by a court having jurisdiction of the trust. "One of the most familiar doctrines of the law of trusts is that a trustee cannot purchase from himself or at his own sale. The law does not stop to inquire into the fairness of the sale or the adequacy of price, but stamps its disapproval upon a transaction which creates a conflict between the self-interest and integrity of the trustee. . . . It has been held in some cases and declared in others that the trustee may bid or purchase when authorized to do so by the court." (39 Cyc. 366.)

This is a mere instance of the many technical points which should be guarded in the transfer of stock, and which a corporation itself is rarely equipped to handle. Protection at each step is a matter of vigilance and system in our transfer department. For further particulars, ask any of our officers.

THE CORPORATION TRUST COMPANY

37 WALL STREET, NEW YORK.

